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FROM: CHIEF SECRETARY

DATE: 31 July 1987

CCBA

PRIME MINISTER

Prime Minister 2

JLW
31/7.

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INNER CITIES: INTERIM REPORT

attached

I have read with interest the report circulated by the Cabinet Office (E(UP)(87)3). I welcome a number of elements in the suggested Priority Action Programme, in particular the emphasis on a closer involvement by private sector companies, the targeting of suitable areas and the various references to better co-ordination and presentation of current policies.

What I have found lacking so far is a clear statement of what our objectives should be and therefore how we should be able to measure the relative success of different policies and initiatives. This seems particularly important where, as in the present case, there are a multiplicity of policy initiatives already undertaken or under consideration. Unless we have a clear idea of what we are aiming for, we will find it difficult to ensure that the substantial public funds going into this area are used cost-effectively; or to decide which elements of the strategy are successful and which are not.

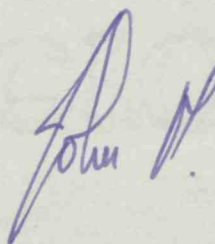
I recognise that there may well be no single objective. But my own instinct would be to regard a reduction of unemployment levels of the less skilled workers resident in inner city areas to ones nearer the national average as fairly central to our aims - access to work is the key to individuals addressing more effectively the other disadvantages they face. I would therefore be inclined to give somewhat less emphasis than the paper does to the various housing management issues: the council estates may, as the paper suggests, correlate with high unemployment and lack of skill but they are not necessarily the cause of these problems; and there may well be more cost effective measures

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to deal with unemployment in the inner cities than action on housing. I would rather put the emphasis more on the whole complex of problems which reduce the prospect of employment of those living in the inner cities - low educational and skills attainment, low motivation and so on - as well as encouraging private sector investment of a kind which would produce the type of jobs for which inner city residents might hope to compete effectively.

I hope it will be possible to deal with these points rather more fully in the final report.

I am copying this minute to members of E(UP) and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to read "John Major". The signature is stylized and cursive.

JOHN MAJOR